

FINANCIAL STATEMENTS

Ended December 31st, 2023

SA SPINEWAY

7 allée Moulin Berger

69130 Ecully

France

NOTES ON THE FINANCIAL STATEMENTS

ASSETS

Statement in euros		31/12/2023			31/12/2022
		Gross	Depreciation and provisions	Net	Net
<i>Suscribed capital uncalled (1)</i>					
FIXED ASSETS	INTANGIBLE FIXED ASSETS				
	Establishments costs				
	Research and development costs	1 150 845	410 856	739 989	738 326
	Concessions, patents, right and similar assets	176 570	167 756	8 814	15 487
	Goodwill (1)				
	Other intangible fixed assets	1 689 965	12 500	1 677 465	1 510 834
	Prepayments				
	TANGIBLE FIXED ASSETS				
	Land				
	Constructions	214 452	109 351	105 101	46 636
	Technical installations, machinery and equipments	2 353 211	2 119 646	233 565	284 177
	Other tangible fixed assets	478 115	435 018	43 097	31 761
	Tangible fixes assets in progress				
	Prepayments				
	FINANCIAL FIXED ASSETS (2)				
Participating interests					
Portfolio long term investment securities					
Debts receivable related to participating interests	11 048 755	468 779	10 579 976	10 579 976	
Other long-term investment securities	11 610 938	3 823 108	7 787 830	6 469 738	
Loans					
Other financial fixed assets	43 058	-	43 058	43 504	
	TOTAL	28 765 910	7 547 014	21 218 896	19 720 438
CURRENT ASSETS	STOCK AND WORK IN PROGRESS				
	Raw materials and other consumables	83 074		83 074	25 808
	Work in progress (goods)				
	Work in progress (services)				
	Intermediate and finished products				
	Goods	1 720 903	622 127	1 098 776	1 549 287
	Advances and prepayments on orders				
	RECEIVABLES (3)				
	Trade receivable	5 742 926	78 196	5 664 730	2 057 436
	Other debts receivable	269 750		269 750	334 605
Subscribed capital - called but not paid					
MARKETABLE SECURITIES			-	-	
CASH AND CASH EQUIVALENT	946 781		946 781	3 657 423	
Deferred charges	117 675		117 675	139 337	
	TOTAL	8 881 108	700 323	8 180 786	7 763 895
ACCOUNT ADJUSTEMENT	Loans redemption premiums	225 000		225 000	
	Bond redemption premiums				
	Realisable exchnage losses	17		17	210
	TOTAL ASSETS	37 872 036	8 247 337	29 399 699	27 484 543

(1) Of which lease premium

(2) Of which due within one year

(3) Of which due after more than one year

LIABILITIES

Statement in euros		31/12/2023	31/12/2022
Shareholder's equity	Capital stock	286 059	182 110
	Premium on shares issued, mergers, contributions	27 029 864	24 488 392
	Revaluation reserve		
	RESERVES		
	Legal reserves	33 955	33 955
	Statutory or contractual reserves		
	Regulated reserves		970 767
	Other reserves		
	Retained earnings		
	Accumulated profit / loss		
Net profit / loss			
Investment grants	- 2 986 993	- 1 757 551	
Regulated provisions			
TOTAL EQUITIES		24 362 885	23 917 673
Other Equities	Proceeds from issues of participating securities		
	Conditional advance	- 10 094	- 10 094
	TOTAL OTHER EQUITIES	- 10 094	- 10 094
Provisions	Provisions for liabilities	3 891	52 534
	Provisions for charges		
	TOTAL PROVISIONS	3 891	52 534
DEBTS PAYABLE	FINANCIAL DEBTS		
	Convertible bond loans		
	Other bond debts payable	490 000	
	Loans and debts payable to credit institutions (2)	2 040 008	1 319 696
	Loans and sundry financial debts payable	10 590	15 863
	Payments on account received on orders in progress		
	TRADE DEBTS PAYABLE		
	Suppliers and related accounts	1 339 370	1 025 643
	Tax and social debts payable	1 090 538	938 825
	MISCELLANEOUS DEBTS		
	Creditors for fixed assets and related accounts	90	90
Other debts payable	240 393	12 699	
Deferred income (1)	- 19 214	1 428	
TOTAL DEBTS PAYABLE		5 191 595	3 314 063
	Realisable exchange gains	76 422	210 365
TOTAL LIABILITIES		29 624 699	27 484 543
	Net profits / loss (cents)	- 2 986 993	- 1 757 551
	(1) Of which due within one year	3 567 207	2 775 999
	(2) Of which current bank advances and credit balances towards bank	2 787	202 718

INCOME STATEMENT 1/2

Statement in euros

		31/12/2023	31/12/2022
OPERATION INCOME	Sales of goods	4 171 863	4 246 311
	Production sales (goods)		
	Production sales (services)	3 396 629	1 009 853
	Net turnover income	7 568 492	5 256 163
	Inventoried products		
	Production capitalized	668 321	874 087
	Operation grants	-	116 331
	Provisions and depr written back and charges transferred	441 025	422 732
	Other income	3 313	605
	TOTAL OPERATING INCOME		8 681 151
OPERATING CHARGES	Purchase of goods	1 033 200	1 111 557
	Change in inventory	429 664	185 730
	Purchase of raw material and other consumables	166 484	122 381
	Change in inventory	- 57	- 8
	Other purchases and external charges	266	406
	Taxes and similar payments	3 793 759	2 540 046
	Gross wages and perquisites	146 216	133 470
	Social charges	2 938 432	2 741 085
	on operating charges to allocate	1 176 608	1 043 146
	Other Charges	773 555	511 112
		6 378	213 224
TOTAL OPERATION CHARGES		10 407 030	8 593 345
OPERATIONG RESULT		- 1 725 880	- 1 923 426

INCOME STATEMENT 2/2

Statement in euros

		31/12/2023	31/12/2022
OPERATIONG RESULT			- 1 923 426
Opera- activities	Allocated income or transferred loss		
	Appropriate loss or transferred income		
Income financial	From investments in affiliates (3)		972
	Other short term investments and titles (3)		
	Other interests and similar income (3)	122 983	262 793
	Provisions and depreciations written back and charges transferred	4 265	167 486
	Realized exchange gains		53
	Net income on realized short term investments		
TOTAL FINANCIAL INCOME		127 248	431 304
Charges financial	Provisions, depreciations, amortizations		212
	Interests and similar charges (4)	1 026 913	38 014
	Realized exchange losses	11 475	17 400
	Net charges on realized short term investments		
TOTAL FINANCIAL CHARGES		1 038 388	55 626
FINANCIAL RESULT		- 911 140	375 677
CURRENT RESULT BEFORE TAXES		- 2 637 019	- 1 547 749
Income extraordinar y	Total of extraordinary income	340 640	448 643
	Total of extraordinary charges	860 925	884 218
EXTRAORDINARY RESULT		- 520 285	- 435 575
Employee participation		- 170	- 225
Corporate income tax		311	773
TOTAL INCOME		9 149 039	7 549 867
TOTAL CHARGES		12 136 031	9 307 418
NET PROFIT / LOSS		- 2 986 993	- 1 757 551

Rules and accounting methods

Company name: SPINEWAY SA

The financial statements for the period ended 12/31/2023 are characterized by a total net asset of 29 624 699 € and a net income profit before taxes of -2 986 993 €. The Board of Directors approved the accounts on February 6th, 2024.

These financial statements covered a 12-month period, beginning on the 01/01/2023 and ending on the 12/31/2023.

The following notes and tabs are an integral part of the financial statements.

This statement is available in both English and French. In case of discrepancy, the French version shall prevail.

General rules and principles

The annual accounts for the year on 12/31/2023 have been drawn up and presented in application of the ANC regulation 2014-03 and ANC regulations 2015-06 and 2016-07.

The accounting standards used are compliant with the prudence principle and have been based on the following assertions:

- continuity of business activity:

Spineway's business induces a significant need for working capital related to the collection delays of receivables, health facilities in France and distributors outside France, and a high level of inventory made necessary by the availability of implant ranges.

The 2024 continuity of business activity is based on:

- A cash level which raises 1 M€ at the closure,
- Hypotheses :
 - o collections linked to the turnover budget
 - o contractual delivery times from production suppliers, it being noted that on 2023 the group was penalized by delivery delays from its subcontractors;
 - o savings in expenses linked to the deployment of the austerity plan approved at the start of January 2024
- Significant cash contributions :
 - o for the majority of financing guaranteed under the Negma contract
 - o to a lesser extent, additional search for bank financing in progress but not yet contractualized.

The company applies ANC regulation no. 2015-05 relating to forward financial instruments and hedging transactions.

- continuity of accounting rules and principles:

- separation and independence of accounting periods:

And in accordance with the GAAP regarding the elaboration and the presentation of annual financial statements. Assets and liabilities are recorded in compliance with the historical cost principle.

Only material information is reported in the notes to the financial statements. All amounts are reported in euros, unless otherwise specified.

Intangible and intangible fixed assets

Both tangible and intangible fixed assets are recorded at their purchase price when they are purchased, at their production cost when they are produced by the company, at their fair market value when they were given to the company.

The depreciations are calculated by the straight-line method for the duration of their expected useful life.

- * Development fees : 3 to 5 years
- * Establishment fees : 5 years
- * Concessions and similar rights, patents, licenses : 1 to 2 years
- * Software : 1 to 3 years
- * Other intangible assets : 10 years (patents)
- * Equipment testing/controls : 1 to 2 years
- * Industrial machinery and equipment : 3 to 7 years, including instrument kits provided to customers
- * Other installations and equipment : 3 to 10 years
- * Office equipment : 3 to 10 years
- * IT equipment : 3 years
- * Office furniture : 3 to 10 years

The depreciable life withheld for goods that are not decomposable is their expected useful life.

Accreditation fees are capitalized when they are related to current accreditation reports owned by a third party.

Financial assets

Financial assets are recorded at their purchase price.

Financial assets are impaired (where appropriate) through a provision for impairment to reflect their market value at the end of the period, when the latter is inferior to the net book value.

Stocks

The inventories are recorded at their purchase price.

Inventory acquisition costs include the purchase price, customs duties and other taxes, but do not include taxes subsequently recoverable by the entity from the tax administrations, as well as transportation, handling and other costs directly attributable to the cost price of the raw materials, goods, production in progress and finished products. Discounts sales, discounts, cash discounts and other similar items are deducted for determine acquisition costs.

The inventories are impaired (where appropriate) through an impairment provision to reflect their market value at the end of the period, when the latter is inferior to the net book value.

The inventories mainly consist of merchandize for sale; except a limited inventory of raw materials the company acquires for its subcontractors for regulation reasons.

Receivables

Trade receivables are valued at their nominal value, less (where appropriate) an allowance to write them down to their estimated net realizable value.

Provisions for impairment on trade receivables are calculated on the following basis:

- Risks of litigation, insolvency, or legal liquidation.
- Analysis per customer together with its country of implementation assessment

Generally, trade receivables between 4 and 6 months are depreciated by 50% and those over 6 months are depreciated at 100%.

As of December 31, 2023, trade receivables represented 5 658 974 €.

The total amount doubtful customers on December 31, 2023, amounted to 78 196 €, amount fully depreciated.

Debts

The medium- and long-term debt bonds have a fixed interest rate and have been subscribed in euros, apart from one loan of 500K\$ which has been subscribed to capitalize the American subsidiary.

As of December 31st, 2023, Spineway has recorded 5 bank loans in progress including 4 State Guaranteed Loans which were subscribed in the context of COVID-19 for a total of € 1 270 000 over 12 months at a rate of 0% with its banks. Given the continuing pandemic context and the latest government measures, the company has opted to defer the start of repayment of these loans to one year. Those State Guaranteed Loans are therefore more than a year away. Those 4 State Guaranteed Loans began to be reimbursed in June 2022.

For 2023, the company has subscribed to a new loan of €1.5 million. It bears interest at an annual rate of 5%.

The other bank loan covers 2% of the remaining amounts due as of December 31, 2023.

At closing, Spineway also records a bond issue for 490 K€.

Statutory auditor fees

The amount of the statutory auditors' fees relating to the certification of the accounts amounts to 39 617 €.

Extraordinary income and expenses

Extraordinary income and expenses are related to transactions and events with no direct relation with the activity of the company.

As of December 31, 2022, other exceptional charges mainly include the loss related to the share repurchase program.

Financial result

The financial result includes interest on bank loans, provisions, and reversals of provisions.

Foreign currency transactions

Foreign currency transactions are converted at the day exchange rate or the hedge exchange rate (where appropriate). Related hedging fees are included in the purchase price.

Foreign currency debts, receivables and available resources are stated on the balance sheet for their counter value at the end of the period. The occurring spread is stated as an exchange rate difference on the balance sheet.

The net amount of unrealized exchange loss is booked under a provision for contingent liabilities in compliancy with regulation.

Pension liability

The retirement benefit is made up of the termination benefits of the employees, legislation requires that lump sum retirement indemnities be paid employees based upon their years of service and their salary at the time of their retirement.

The calculating assumptions are based on the number of years of service and the salary at the time of the retirement date of the employee.

The main assumptions used for the calculation of the pension liability are :

- the discount rate : 3.17% at December 31st 2023 (versus 3.77 % at the December 31st 2022)
- the mortal rate INSEE 2016-2018
- moderate staff turnover

Following the pension reform applicable on September 1st, 2023, the legal retirement age has increased from 62 years to 64 years.

	December 31, 2023	December 31, 2022
Retirement age	64 years – CEO 67 years old	62 years – CEO 67 years old
Discount rate	3.17	3.77
Wages growth rate	0%	0%
Rate of social security	44% (C), 22% (E)	44% (C), 22% (E)
Mortality table	INSEE 2016-2018	INSEE 2016-2018

The Group does not expect any significant change in its pension commitments over the next few years.

Research and development costs

The costs are capitalized only if the projects initiated meet the following criteria:

- The project or process is clearly defined and the related costs are measured reliably and clearly identified,
- Technical feasibility is demonstrated
- The product or process has a serious chance of being marketed or used internally,
- The assets generate future economic benefits,
- Adequate technical and financial resources and other resources necessary for the completion of the project are available.

The company, since the second semester of 2019, has fulfilled all the criteria for activating development projects.

Any development costs incurred for projects that do not meet these criteria would be recognized in the income statement as soon as they are committed.

Development expenses include direct and indirect costs incurred on projects and in particular the salaries of researchers, engineers and technicians as well as subcontracting costs incurred for development activities.

The development effort gives rise in the second half to the recognition of capitalized production of development costs in the Intangible assets in progress account for an amount of 668 320 € in 2023 against 874 086 € for 2022.

When the costs are activated, they will be amortized on a straight-line basis.

Over 2023, 184 242 euros of R&D project costs were activated, they are amortized on a straight-line basis over 5 years (588 647 euros for 2022).

When there is an indication of impairment, and at each year-end, the development projects entered on the assets side of the balance sheet are analyzed to ensure that each project still meets the criteria activation. Where applicable, impairment is recognized.

Over 2023, 316 706 euros were depreciated following project stoppages.

As of 12/31/2023, total activated R&D project costs amounted 1 023 242 euros, amortized for 287 838 euros.

It should be noted that, in accordance with French rules in this area, the existence of assets in the balance sheet of development costs not yet amortized and greater than the amount of free reserves is an obstacle to distribution.

Research and development costs give rise to a recognized research tax credit at the end of the year in which the expenditure was recorded.

Revenue

For direct sales to hospitals (mainly domestic, France), the gross revenue is booked as of the transfer of propriety on the merchandize to the customer. In most cases, the customer, hospital, or clinic, informs the company of the references used in the provided stock (by loan or consignment) to the customer. Following which, an invoice is issued for the used merchandize. The revenue is realized at the moment the invoice is issued.

For sales towards abroad distributors, the bookkeeping is compliant with INCOTERM regulations. Where appropriate, an adjustment is calculated, in order to factor in the specific conditions regarding the transfer of propriety stated in the orders or agreements. The main INCOTERM used is EXW (Ex WORKS).

The revenue is made up of the invoicing after deduction of discounts and rebates. Transport fees are charged back and are also included in the revenue.

Finally, the revenue also includes income from charged backed expenses directly related to operating expenses such as congress or conference fees when paid by the company for its distributors or services realized for the company SPW Inc. These are charged back to them.

Significant events of the period

- Growth in turnover

The turnover of 7.6 M€ increased by 44% compared to 2022 due to the increase in re-invoicing with subsidiaries, for which the parent entity provides all support and carries out a significant part of operational missions (commercial, scientific, R&D in particular).

Sales from the Spineway ranges decreased by 2% in line with the migration strategy towards the Premium ranges of the Distimp subsidiary and in connection with the start of rationalization of the ranges group level.

- Obtaining an innovation Participatory Recovery Loan (PPR) in the amount of 1.5 M€

In support of its innovation strategy and its R&D investments, in May 2023 the Group obtained a Participatory Recovery Loan (PPR) in the amount of 1.5 M€ for a period of 8 years under its status innovative business. This significant contribution of cash constitutes a first step, to absorb current developments.

- Conclusion of a bond financing contract with bonds convertible into shares of a amount of 10.99 M€

The Company signed, on May 24, 2023, a bond issue and subscription contract convertible into shares (OCA) for a maximum total nominal amount of ten million nine hundred and eighty ten thousand euros (10 990 000 euros) and a duration of 24 months.

The detailed characteristics of the financing appear in the appendix to the press release of May 25, 2023, and are also available on the Company's website.

The implementation of the Negma contract resulted in financial charges totaling 963 K€. These financial charges reflect contractual clauses accompanied by the creation of actions additional news without cash flow impact. These charges correspond to the "commitment fee" (commitment commission) upon signature of the contract, tranche subscription interest (9%), and compensation mechanism (coming into effect when the stock price is lower than the nominal), the group having opted for a clearance of this compensation by creating new shares in order to not penalize cash flow.

- Strengthening of equity and share consolidation

The conversion of convertible or exchangeable bonds into new or existing ordinary shares over the period from June 5 to November 9, 2023 resulted in a capital increase of 1 412 809.37 euros through the creation of 28 256 048 shares of 0.05 euros and an issue premium of 1 021 896 euros.

On November 10, 2023, upon decision of the Extraordinary General Meeting, Spineway carried out a capital reduction resulting in the reduction of the legal par value of the share by 0.05 euros to 0.002 euros. At the end, the share capital was reduced from 1 594 912.30 euros to 63 796.49 euros and is composed of 31,898,245 shares with a par value of 0.002 euros each.

From November 13 to December 31, 2023, the conversion of convertible or exchangeable bonds into new or existing ordinary shares generated a capital increase of 222,262.65 euros by the creation of 111 131 317 shares of 0.002 euros each and an issue premium of 775 244.35 euros.

The capital as of December 31st, 2023 amounts to 286 059.11 euros and is made up of 143 029 563 shares of 0.002 euros each.

- Group strategic growth plan

Spineway is continuing its organic growth strategy in order to benefit from cross-synergies between various entities of the group acquired since June 2021 on the one hand and the launch of a premium range of implants and instruments to more broadly address the segment of degenerative pathologies of the spine on the other hand.

This strategy aims to strengthen its positioning on the French and European market and seize new export opportunities in countries with significant or higher value potential profitability. The implementation of this plan depends on export approval deadlines, which may quite long.

- IMS participation

The company has initiated the procedure for recognition of the decision of the Geneva arbitration court in the United States. United, IMS headquartered in Delaware. IMS not having responded to the “petition”, Spineway has continued the steps in the US to put IMS in default, prior to any recovery process. The execution of the decision involves recognition of the sentence by the judicial authorities of the State of Delaware, where the headquarters of the Strategos company are located. The sentence was thus recognized at first instance but the company Strategos filed an appeal before the following jurisdiction: United States District Court for the District of Delaware. The pleadings in connection with the motion before the United States District Court for the District of Delaware took place on November 30th, 2023. The decision is expected in 2024 which will enable the effective recovery procedure to be initiated.

To date, there is no indication of loss of value of IMS securities.

Significant post balance-sheet events

- Reverse split of shares

At its meeting on January 4, 2024, the Spineway Board of Directors decided to put implements the consolidation of the shares making up the share capital of Spineway approved by the Extraordinary General Meeting of November 10th, 2023 under the terms of its 3rd resolution.

The main modalities are as follows:

- Basis of grouping: exchange of 2 000 old shares with a par value of 0.002 euros for 1 new share of 4.00 euros par value.
- Number of shares subject to consolidation: all of the shares making up the capital of Spineway, i.e. 154 696 229 shares with a par value of 0.002 euros each.
- Number of shares post consolidation: 77 348 new shares with a par value of 4.00 euros each.

Indicative reverse split timetable

Share exchange period	
January 25, 2024	Start of exchange operations
February 26, 2024	End of exchange operations
Reverse split operations	
February 26, 2024	Last listing of the existing shares on Euronext Growth (ISIN code: FR001400BVK2)
February 27, 2024	First listing of the new shares on Euronext Growth (ISIN code: FR001400N2P2)
February 29, 2024	Allocation of the new shares
Management of fractional shares	
February 27, 2024	Start of compensation of fractional shares by financial intermediaries
March 28, 2024	Deadline for the compensation of fractional shares by financial intermediaries

- Austerity plan

The Board of Directors of January 4th, 2024 recorded the implementation of an austerity plan in order to allow the group to be part of a dynamic as quickly as possible to return to profitability absolutely necessary for the sustainability of cash flow needs and the deployment of its strategic plan for innovation and penetration of new markets.

This austerity plan is accompanied by various measures including a spending savings plan of operation and a social component of reduction of more than 11% of the workforce in the 1st quarter 2024.

Fixed assets

Statement in euros		Assets Value Opening	Financial year fixed assets movements				Assets Values Closing 31/12/2023
			Increase		Decrease		
			Re-evaluations	Additions	Reclassifications	Disposals	
Intangible assets	Establishment fees	961 174		189 670			1 150 844
	Other intangible fixed assets	1 699 904		673 849		507 218	1 866 535
	Total Intangible fixed assets	2 661 078	0	863 520	0	507 218	3 017 379

Tangible assets	Land						
	Buildings - owned land / installations						
	Buildings, Installations and fitting Technical installations, machinery and equipment	146 086		68 366			214 451
	Other installations and equipment	2 246 750		106 461			2 353 211
	Returnable containers and other packaging	131 047		7 602			138 649
	Office equipment	314 854		24 613			339 466
	Construction work in progress						
	Advance payments						
Total tangible assets	2 838 737	0	207 042	0	0	3 045 779	

Financial assets	Investments in associates (equity method)						
	Other affiliated investments	21 385 952		1 273 741			22 659 693
	Other investments						
	Loans and other financial assets	43 504				446	43 058
Total financial assets	9 373 014	0	1 273 741	0	446	22 702 752	

Total	14 872 829	0	2 344 303	0	507 664	28 765 910
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Intangible assets

Following is the breakdown of the intangible assets:

- Patents acquired for a total of 12 500 €
- Accreditations acquired for 127 603 €
- Software for 54 141 €
- Operating software for 122 429 €
- R&D expenses for 1 023 242 €
- Intangible assets in progress for a total of 1 677 465 €.

Intangible assets in progress correspond to R&D costs capitalized during the year.

Tangible assets

At December 31st, 2023, the company capitalized 207 042 € of tangible assets, including 106 461 € of technical installations, machinery and equipment.

The breakdown is as follows:

- 74 676 € as instrument kits, provided to customers

- 27 966 € as equipment for testing/controls

The maintenance and reparation costs are booked as expenses on the period.

Financial assets

As of December 31, almost all of the increase in impairment relates to shareholdings and related receivables (US subsidiary). This depreciation is recognized as an exceptional.

Integral Medical Solutions (IMS) not having deployed the operational plan when taking stake in the Spineway Group, the latter had initiated proceedings at the arbitration tribunal of Geneva, which rendered an award dated January 20, 2022 in favor of Spineway, ordering IMS to pay the full acquisition price of the securities, i.e. 4 160 K€ plus interests, and to reimburse the arbitration costs incurred. The IMS company has never responded to the various, that continue as a result. (See Financial debts)

Depreciation

	Depreciation Opening	Financial year depreciation movements		Depreciation Closing 31/12/2023
		Increase	Decrease	

Statement in
euros

INTANGIBLE ASSETS	Establishment costs	222 848	188 007	410 856
	Other intangible assets	173 583	6 673	180 256
	TOTAL INTANGIBLE ASSETS	396 431	194 680	591 112

TANGIBLE ASSETS	Land			
	Building - owned land			
	.Leasehold land			
	Installations	99 450	9 901	109 351
	Technical installations, machinery and equipment	1 962 573	157 073	2 119 646
	Other installations and equipment	131 047	815	131 862
	Transport equipment			
	Office equipment	283 093	20 063	303 156
Returnable containers and packaging				
	TOTAL TANGIBLE ASSETS	2 476 163	187 852	0

TOTAL	2 872 595	382 532	0	3 255 127
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	Movement distribution for degressive depreciation scheme						
	Increase			Decrease			
	Differential time and other	Degressif method	Fiscal de p. Extraordinary	Differential time and other	Degressif method	Fiscal de p. Extraordinary	
Establishment cost							
Otehr intangible assets							
TOTAL INTANGIBLE ASSESTS							
Land							
Building - owned land							
Leasehold land							
Installations							
Technical installations, machinery and equipment							
Other installations and equipment							
Transport equipment							
Office equipment							
Returnable containers and packaging							
TOTAL TANGIBLE ASSETS							
Cost of investment in affiliates							
TOTAL							
TOTAL UNDISTRIBUTED MOVEMENTS							

Financial assets situation

The acquisition protocol for the Distimp entity acquired at the end of June 2021 provides that the acquisition price is function of earn-out clauses.

These may possibly lead to price supplements payable in 2022, 2023 and 2024 in based on actual revenue, gross margin, working capital requirement and budget expenses specific to the activity (regulatory costs, loans of instrument kits) recognized at the end of June.

No supplement is due in 2023.

Financial fixed assets are not subject to any amortization.

Receivables and Debts

Receivables

Statement in euros		31/12/2023	Due under 1 year	Due over 1 year
RECEIVABLE	Receivables from affiliates	11 610 938		11 610 938
	Loans (1) (2)			
	Other financial assets	43 058		43 058
	Doubtful or disputed trade receivables	78 196	78 196	
	Other trade receivables	5 664 730	5 664 730	
	Receivables on securities lent			
	Employees and other assimilated accounts	5 477	5 477	
	Social institutions and social security contributions			
	Income tax	170 311	170 311	
	Value added tax	89 959	89 959	
	Other tax receivables			
	Miscellaneous receivables			
	Affiliates and shareholders (2)			
	Other receivable	4 003	4 003	
	Prepaid expenses	117 675	117 675	
	TOTAL RECEIVABLES	17 784 348	6 130 351	11 653 997
(1) Loans granted during period				
(1) Loans paid period				
(2) Loans granted to shareholders (persons)				

Debts

		31/12/2023	Due under 1 year	1 to 5 years	Due over 5 years
DEBTS	Convertible bonds (1)				
	Other bonds (1)	490 000	490 000		
	Loans to credit institutions - less than 1 year from origin (1)	2 787	2 787		
	Loans to credit institutions - over 1 year from origin (1)	2 037 221	412 833	718 138	906 250
	Other loans and financial debts (1) (2)	1 194	1 194		
	Trade payables and other assimilated accounts	1 339 370	1 339 370		
	Employees and other assimilated account	479 188	479 188		
	Social institutions and social security contributions	358 284	358 284		
	tax payables	207 223	207 223		
	Other tax payables	45 844	45 844		
	Debts on assets and assimilated accounts	-90	-90		
	Affiliates and shareholders (2)	9 396	9 396		
	Other liabilities	240 393	240 393		
	Debts on securities lent				
	Unearned revenue	-19 214	-19 214		
	TOTAL DEBITS	5 191 595	3 567 207	718 138	906 250
(1) Loans contracted during period		1 500 000			
(1) Loans reimbursed during period		577 931			
(2) Loans contracted toward shareholders (persons)		9 396			

Accrued income

Statement in euros

31/12/2023

Total accrued income		1 466 139
Other account receivables		1 466 139
Invoices to be established	1 466 139	
Other receivables		0
<i>Outstanding debits</i>	<i>0</i>	

Provisions

Statement in euros		Opening	Increase	Decrease		31/12/2023	
				Used	Not used		
REGULATED PROVISIONS	Reconstitution of mines and oil fields						
	Provisions for investments						
	Provisions for price increases						
	Provisions for capital cost allowance						
	Provisions allowance for start-up loans						
	Other Provisions						
	REGULATED PROVISIONS						
PROVISIONS FOR CONTINGENT LIABILITIES	Litigation						
	Warranties						
	Futures market loss						
	Penalties and fines	210				210	
	Exchange loss						
	Pensions and assimilated obligations						
	Tax related						
	Investment renewal						
	Provisions for repairs and maintenance						
	Pay roll taxes						
Other Provisions	52 324		48 644		3 680		
PROVISION FOR RISKS AND CHARGE	52 534	0	48 644		3 891		
PROVISIONS FOR DEPRECIATION	Fixed assets	Intangible					
		Tangible					
		Investments in associates (equity method)	4 336 239	27 555	71 907		4 291 887
		Investments in associates					
	Other financial assets						
	Inventory and works in progress	852 293	354 446	584 612		622 127	
Trade receivables	68 407	36 577	26 788		78 196		
Other provisions							
PROVISIONS FOR IMPAIRMENT	5 256 939	418 578	683 307		4 992 210		
TOTAL	5 309 473	418 578	731 950		4 996 100		
Increases and reversals	Operating		391 023	409 031			
	Financial						
	Extraordinary		27 555	322 920			
Investments in associates (equity method) : the depreciation amount at year end is calculated in compliance with the rules under article 39-1.5e C.G.I							

Accrued debts

Statement in euros

31/12/2023

Total accrued debts		1 382 412
Loans and other debts to credit institutions		2 487
Accrued interest payable	2 487	
Trade payable and other assimilated accounts		454 941
Suppliers - Invoices outstanding	454 941	
Social and fiscal debts		702 186
Accrued charges payable for holiday pay	223 116	
Other accrued charges payable	255 922	
Contributions for holiday pay	95 866	
Other accrued charges payable	102 369	
State - Accrued charges payable	16 983	
Other creditors - charges payable	7 932	
Other debts		222 798
Customers' discounts	222 798	

Items – affiliated companies and Investments in associates

December 31st, 2023 Statement in Euros	Affiliated companies	Companies with shared interest
Fixed assets		
Advance payments on assets		
Investments in affiliates	10 579 976	4 419 929
Receivable from affiliates	11 610 938	
Loans and other financial assets		
Current assets		
Advance payments given		
Trade receivables and assimilated account	4 333 250	
Other receivable		
subscribed shares called, unpaid		
Liabilities		
Convertible bonds		
Other bonded debts		
Loans and debts to credit institutions		
Other loan and financial debts		
Advance payments received		
Trade payables and assimilated accounts		
Debts and assets and assimilated accounts		
Other debts		
Financial revenue		
Investment in affiliates revenue		
Other financial revenue		
Financial expenses		
Financial expenses		
Miscellaneous		

The company Spineway owns 100% of Spineway Inc., 100% Distimp, 100% of Spine Innovations and 5% of IMS.

Prepaid expenses

Statement in euros	Amount	31/12/2023
Prepaid expenses - OPERATING		117 675
Building rental	45 199	
Subscriptions	10 464	
Outsourcing	2 203	
Maintenance	4 398	
Insurance	11 805	
Marketing and communication	4 794	
Professional fees	32 097	
Travel expenses	2 319	
Other	4 396	
Prepaid expenses - FINANCIAL		
Prepaid expenses - EXTRAORDINARY		
TOTAL		117 675

Changes in equity

Statement in euros	Equity capital closing 31/12/2022	Last year's income appropriation (1)	Retroactive contributions	Changes During period (2)	Equity capital closing 31/12/2023
Share Capital	182 110			103 949	286 059
Premiums, share premiums	24 488 392			2 541 472	27 029 864
Goodwill					
Legal reserve	33 955				33 955
Statutory reserves					
Regulated reserves	970 767			-970 767	0
Other reserves					
Unappropriated retained earnings		-1 757 551		1 757 551	0
Income summary	-1 757 551	1 757 551		-2 986 993	-2 986 993
Investment grants					
Régulated provisions					
Total	23 917 673			445 212	24 362 885

Date of annual general meeting : 06/02/2024

Distributed dividends

Including dividends of last year's income

Opening share capital after last year's income appropriation 23 917 673

Opening share capital after retroactive contributions 23 917 673

Including change from structural modifications

Changes in equity during period excluding structural modifications 445 212

Operations on capital

The conversion of convertible or exchangeable bonds into new or existing ordinary shares has generated over the period from:

- January to November 8, 2023: a capital increase of 1 412 802 euros through the creation of 28 256 047 shares of 0.05 euros and an issue premium of 1 021 896 euros

- From November 9 to the end of December 2023 a capital increase of 222 262.63 euros through the creation of 111 127 826 shares of 0.002 euros each and an issue premium of 775 244 euros

As of November 10th, 2023, the company carried out a capital reduction of 1 531 116 euros by reducing the par value of the shares which increased from 0.05 euros to 0.0020 euros.

The capital as of December 31th, 2023 is 256 059 euros and is made up of 143 029 564 shares of 0.0020 euros each.

Cash flow statement

Statement in K euros

	12/31/2023	12/31/2022
Operating activities		
Self financing cash flow	-2 622	-1 646
Net result	-2 987	-1 758
Allowances and reversals of depreciation allowances	365	131
Charges without any impact on cash	0	-148
Net book value of fixed assets transferred or out of order	0	129
Change in working capital requirements	-2 850	561
Inventory variations	372	177
Receivables variations	-3 612	-258
Other debts and receivables variations	71	415
Payables variations	319	227
Operating activities cash flow (A)	-5 472	-1 085
Investing activities		
Tangible and intangible asset expenditures	-563	-1 118
Tangible and intangible asset disposals	0	0
Financial asset expenditures	-1 318	-10 316
Financial asset disposals	0	0
Investing activities cash flow (B)	-1 881	-11 434
Financing activities		
Share capital increase	3 920	3 987
Bank loans	920	-407
Treasury instruments (MCNE & promissory notes)	-200	66
Other financing debts	0	-1 159
Financing activities cash flow (C)	4 640	2 487
Impact of variation of currency rates		
Change in cash flow and cash equivalents (A+B+C)	-2 713	-10 031
Cash at the beginning of the period (D)	3 659	13 690
Cash at the end of the period (A+B+C+D)	946	3 659

Extraordinary Income

Statement in euros

31/12/2023

Total extraordinary income		340 640
Extraordinary items in operating income		17 720
<i>Prior period income</i>	17 720	
Provision reversals and expenses transfers		322 920
<i>Reversals on other regulated provisions</i>	71 907	
<i>Reversals on provision for risks and charges</i>	251 013	
Total extraordinary expenses		860 924
Provisions for extraordinary liabilities and charges		35 913
<i>Penalties and fines</i>		
<i>Prior period charges</i>	35 913	
Provisions for extraordinary capital operations		480 750
<i>Other exceptional expenses</i>	229 737	
<i>Exceptional expenses without any cash impact</i>	251 013	
Extraordinary depreciation provisions		344 261
<i>Allocation to other regulated provisions</i>	316 706	
<i>Provision for risks and charges</i>	27 555	
Extraordinary result		-520 284

Corporate income tax allocation

Statement in euros	Erning before after taxes - 31/12/2023	Income taxes (1)	Erning after taxes
Operating income	-2 637 019		-2 637 019
Extraordinary income (and equity investments)	-520 285		-520 285
Net income	-3 157 304		-3 157 304

(1) Including allowances / disallowances

<u>Taxe Credit</u>
Taxe credit for research and devolpment (CIR): 165 532 €
Tax credit for innovation: 4 779 €

Financial commitments

statement in euros	31/12/2023	Financial commitments given	Financial commitments received
Notes receivable discounted			
Sureties			
Financial lease commitments			
<i>Financial lease liabilities</i>			
Pension plan commitments			
<i>Pension liabilities</i>		180 384	
		180 384	
Other commitments			
<i>Surety on inventory</i>			
<i>Surety on business capitaal</i>		560 000	
<i>Other commitments</i>			
Bank credit lines allowed			
		560 000	0
Total financial commitments (1)		740 384	
(1) Including :			
Executive			
Subsidiaries			
Investments in affiliates			
Other affiliates companies			

Financial commitments given :

The supported retirement commitment is constituted by the retirement indemnities (IFC) of the staff of the French entity, the legislation providing those indemnities are paid to employees at the time of their retirement, according to their seniority and of their salary at retirement age.

The 560 K€ of surety on business are granted against the 500K\$ loan taken out with Crédit Agricole.

In addition, within the framework of the acquisition of Distimp, price supplements (earn-out) are planned and depend on specific financial criteria (see financial fixed assets).

Average personnel (per head)

		31/12/2023	Internal staff	External staff
Average personnel by category	Executives		27	34
	Middle level employees		6	5
	Employees		3	2
	Labourers		0	
	Total		35	41

Average personnel including trainees : 41

Average personnel excluding trainees : 42

Executives' compensation

Statement in Euros

	31/12/2023
Members compensation	
- Of the administrative board	
- Of the executive board	
- Of the supervisory board	

In conformity with the protection of individual rights, this information is not always provided, as it would indirectly result in giving individual information.

This information is not provided as it allows the situation of the executives to be known.